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September 29, 2006

***Via Facsimile –***
***Original to Follow***

Michael Gross, Senior Attorney
National Indian Gaming Commission
1441 L Street, N.W.
Washington, DC 20005

Re: Comments on Proposed Class II Technical Standards

Dear Mr. Gross:

There is no question that the National Indian Gaming Commission (the "Commission") has undertaken a formidable task – creating technical standards to govern the play of Class II games at Native American gaming facilities in the United States. Implementing uniform regulations will do much to ensure that Class II games are safe and secure; and they will certainly help Native American gaming operators guarantee the integrity of the games offered their customers. This effort, however, has the potential for a dramatic impact on the many tribes currently operating Class II devices, the manufacturers who make Class II games, and the fifty thousand (50,000) Class II games currently operated in Native American gaming facilities. Thus, the Commission is required to balance several competing interests as it completes this work. It is a daunting task, and one where I hope our company, Video Gaming Technologies, Inc. (VGT), can be of assistance.

As a major manufacturer of Class II gaming devices, VGT would like to offer the following comments on the proposed technical standards. There are several areas of concern, which are broken down as follows: First, this document comments on the timeframe in which the regulations would be adopted. Second, it looks at a series of regulations which VGT is concerned do not accurately reflect how electronic bingo is to be played in a Class II environment. Third, it discusses several regulations that VGT believes are overly restrictive and that will unduly burden innovation in the Class II marketplace. And finally, there are comments on regulations that go beyond what VGT believes is necessary to secure a Class II gaming network.

Through these comments, VGT hopes to help the Commission create an effective set of regulations that meets the need to create uniform technical standards for Class II games, that meets the goals of the Commission, and ensures the integrity of Native American gaming operations. We hope the Commission will accomplish all of these goals in an effective manner that doesn't create an overly burdensome financial impact for Native American tribes or Class II gaming manufacturers.

## 1. REGULATIONS OF THIS SORT SHOULD NOT BE ADOPTED IN A LIMITED TIMEFRAME

The Commission's efforts to establish technical standards for Class II games are somewhat unique, in that the Class II games are so different than "traditional" Class III gaming devices; and that there are already so many Class II games in the field. Thus, the Commission is establishing a significant new regulatory structure for an industry that is already well-established; and it is creating regulations for an industry in which there are few pre-existing gaming models for the core technology of Class II games.

While new Class III markets like Pennsylvania can turn to regulations already adopted in Nevada, New Jersey, Colorado and other jurisdictions; there are few guidelines for Class II games. Several Tribes have adopted the GLI 22 standard, created by Gaming Laboratories International to establish technical guidelines for Class II games. But the vast majority of current Class II games have been approved for play by Native American tribes using subjective standards created by the individual Tribal Gaming Commissions. Unlike Class III markets, where a game approved for the Nevada market is in all likelihood going to pass muster in New Jersey, there is no central standard upon which the existing Class II games have been created. The approval process differs dramatically from tribe to tribe, and little commonality exists among the various standards used for Class II gaming approval. It makes a strong argument for the adoption of a uniform Class II standard by the Commission – but it also raises some serious concerns about the ability of approximately 50,000 existing Class II games to meet the new standards, and the Commission should take notice of the potentially staggering costs associated with bringing the existing games into compliance.

Because they were placed without a unified standard in effect, there is a high likelihood that many of these existing Class II games will have to be upgraded or replaced in order to meet the requirements of the proposed Technical Standards. If a manufacturer's software does not comply with the proposed standards, it will take time to draft new code that meets the requirements.

The Commission has a recent example of how long it will take to develop this sort of hardware and software, based on the time it took many of the existing Class II manufacturers to create product for play in the State of Oklahoma, under the terms of the Oklahoma State-Tribal gaming compact. While there were some additional game-specific requirements that went above and beyond the technical standards adopted by both the various Tribes and the Oklahoma Horse Racing Commission, the game development took a significant amount of time. In fact, State officials reported earlier this year that the new "Compact" games were just beginning to come on-line in significant numbers, almost 18 months after the passage of the Oklahoma law.[1]

[1] *See*, Gambling Machines to Change, *the Daily Oklahoman*, March 1, 2006, page 15A

In addition to the software updates, many of the games may also require hardware upgrades to meet the requirements of the technical standards. Components that may require replacement, addition or upgrade include locks, sensors, computers, printers and other gaming hardware. And even if the upgrades affect only 25% of the games in the field, the costs could be staggering. Using prevailing component prices, labor costs and then using conservative figures to estimate the required upgrades, it would take upwards of $6.25 million to bring the machines into compliance with the proposed standards,[2] and tens of thousands of man hours[3] to complete the retrofit of 25% of the existing 50,000 Class II games currently in play.

There are few examples of how regulators should handle such a situation in gaming, but guidance can be found in how other Federal agencies have implemented similar changes that radically affect existing markets. For example, the FCC, when it passed Digital Television (DTV) Standards in April 1997, gave television stations in the largest markets 30 months – or until the end of 1999 – to implement DTV; and did not require all commercial television stations to implement DTV until the end of 2003.[4] The timeframe allowed a sufficient period for the stations to acquire technology that complied with the DTV standards, and allowed the television stations to amortize the sizeable costs of the DTV migration over a period of time, rather than forcing the stations to absorb the costs all at once.

Because the Commission's proposed technical standards will have a similar impact on an existing industry, VGT would recommend that the Commission take an approach similar to the FCC's implementation of DTV standards. A period of 24 months would allow Class II manufacturers to effectively develop products that meet the proposed standards; and allow the manufacturers and tribes to upgrade game hardware in the traditional lifecycle of gaming components. At a bare minimum, the Commission should give manufacturers and Native American gaming operations at least 18 months to complete the transition, based on the time it took existing Class II manufacturer's to create effective games for play under the Oklahoma gaming compact.

Anything less is likely to result in the inability of a number of manufacturers to meet the new standards; and result in a significant financial impact on Class II gaming operations.

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[2] VGT used a formula in this analysis that applies a cost of $500 per machine for the upgrade to 12,500 Class II machines (what would be approximately 25% of the market). The estimated cost would cover labor, overhead and parts. This formula is quite conservative, when the average cost of a bill validator is $550, and a game computer is $500.

[3] VGT used a formula of 2 hours per game to complete hardware and software upgrades on the 12,500 games, resulting in a figure of approximately 25,000 hours to complete the upgrades

[4] *See* FCC Office of Engineering and Technology, *Digital Television Consumer Information*, November 1998.

## 2. CERTAIN PROPOSED STANDARDS DO NOT ALLOW FOR THE FUNCTIONAL PLAY OF CLASS II BINGO

While the comments in Section 1 dealt with the timeline of the regulation's implementation, VGT also has some concerns about the specific language of certain sections of the proposed technical standards. In this section, VGT's comments examine several proposed standards that affect how player terminals respond in the event of a failure during the play of Class II bingo. It is VGT's view that the following proposed standards do not accurately reflect the Commission's previous guidance on how the game of Class II bingo should be played; and when read in accordance with other Commission guidelines the implementation of these proposed standards would create games that are fundamentally unattractive to players, and consequently unprofitable to Native American Class II operators.

The standards in question require that, upon interruption of a bingo game on player stations, that the game software allow the player station to return to the state it was in prior to the interruption and to complete the bingo game. Proposed standards with this sort of requirement include the following:

> **§ 547.10 What are the minimum technical software standards applicable to client machines used as Electronic Player Stations?**
> This section provides general software standards for clients used as Electronic Player Stations for the play of Class II games.
> . . . .
>
> (j) *Program interruption and resumption.*
> (1) Electronic Player Station software shall be designed so that upon any loss of power it is able to return to the state it was in prior to the interruption.
>
> **§ 547.11 What are the technical standards applicable to critical memory?**
> This section provides specific standards for the contents and maintenance of critical memory, which stores data essential for the play of Class II games.
> (a) *Critical memory, location and contents.*
> . . . .
>
> (5) Game recall information for the current game, if incomplete;
> . . . .
>
> (6) Software state (the last normal state the Electronic Player Station software was in before interruption);
>
> **§ 547.13 What are the minimum standards for Electronic Player Station events?**
> This section provides standards for events such as faults, deactivation, door open or other changes of states, and lockup on Electronic Player Stations used in the play of Class II games.
> (a) *Faults, generally.*
> . . . .
>
> (2) Upon the occurrence of any fault identified in paragraph (a)(1) of this section, the Electronic Player Station shall, unless otherwise specified in paragraph (a)(1) of this section:
> . . . .

(iv) Save any incomplete game play in its current condition; and

. . . .

(3) Upon clearing any fault identified in paragraph (a)(1) of this section, the Electronic Player Station shall:

. . . .

(iv) Recommence game play from the beginning of the play, or from the point at which interruption occurred, using saved data, and conclude normally.

. . . .

(b) *Door open/close events.*

. . . .

(2) The Electronic Player Station shall perform the following on any door open event:
(ii) Save any game play in its current incomplete condition;

. . . .

(3) The Electronic Player Station shall perform the following when all doors are closed:
(v) Recommence game play from the beginning of the play, or from the point at which interruption occurred, using saved data, and conclude normally.

. . . .

*(d) Non-fault events.*
For the following non-fault events, the Electronic Player Station shall take the following actions:
(1) Electronic Player Station Power Off During Play.
(i) Game play shall be saved in its current incomplete condition (wins shall only be paid on subsequent power up).

. . . .

(ii) Recommence game play from the beginning of the play, or from the point at which interruption occurred, using saved data, and conclude normally.

As the Commission is already well aware, the play of Class II bingo requires a live ball draw that occurs during the play of the Class II game terminal. If sufficient players are playing, the ball draw and corresponding bingo game will continue on the player terminals not affected by the failure. Thus, while it is possible – and, in fact, desirable – to save information on the status of the player terminal at the point of failure; it is impossible to return the player terminal to the state it was in prior to the failure when the bingo game continues on the other player terminals unaffected by the failure.

It is VGT's belief that, essentially, the bingo game should continue on the electronic game in the absence of the affected terminal, the same as if a player runs out of ink in their bingo dauber during a traditional paper bingo session. The player with the traditional bingo equipment failure (the faulty dauber example) would maintain a record of where they were when the failure occurred; but because the game continues during their "failure," the traditional paper bingo player is unable to return to the state they were in prior to the failure. In other words, the bell cannot be un-rung for this player, because

the outcome is affected by the actions of the other players in the game that occur during the described player's product failure.

Because the game of bingo is a contest among players, the Commission's previous guidance has required play to occur in "real time," and has not allowed the use of saved data for late arrivals to the game. Thus, if these proposed technical standards are read in context, and one also takes into account the Commission's guidance on issues of game classification, it appears that the only way to comply with standards that require the game play to recommence from the point of failure will be to stop the entire game of bingo, on all of the affected player terminals, until the problem on the malfunctioning terminal can be resolved. Such a resolution would have a dramatic impact on the "playability" of the gaming terminals – affecting player acceptance – and subsequent dramatic impact on the profitability of the games.

VGT would recommend that the Commission only require the player terminals to maintain information on the status of the games at the point of failure, and that the Commission remove all language in the proposed technical standards that require the games to recommence from the point of failure. The removed language should be replaced with a requirement for the player terminal to join the first available bingo game after it is placed back into service. This would allow the operator to pay any winners that had occurred prior to or at the time of the failure, would provide sufficient information to assist in the troubleshooting process, and would allow the games to play in accordance with the Commission's guidance in its current Class II game classification opinions.

## 3. CERTAIN PROPOSED STANDARDS ARE UNDULY RESTRICTIVE, AND WILL STIFLE INNOVATION IN THE CLASS II MARKETPLACE.

With its heavy reliance on a fast-changing technology, Class II gaming is responsible for a number of significant innovations that are affecting gaming in general. Class II manufacturers were at the forefront of developing central determinant games, and introducing modern protocols like TCP/IP to gaming floors nationwide. Many of these Class II innovations are now being adopted in Class III markets. Much of the innovation has come because the Class II marketplace has allowed new technologies to be applied to gaming devices. VGT firmly believes that, while technical standards are necessary, they should be written in a way that does not stifle innovation and the adoption of new technology. It is VGT's belief that the most effective standards are those which allow for the use of multiple technologies to meet the goals of the rules, and that it is not in the Commission's, manufacturer's or Native American gaming operator's best interest to have standards that only allow the use of one particular technology to meet the objectives of a regulation.

Unfortunately, VGT feels that there are several proposed standards that have the effect of limiting manufacturers to the use of one specific technology, when there are a number of

industry-accepted alternatives to meet the Commission's objectives. Proposed standards that raise this concern are as follows:

> **§ 547.11 What are the technical standards applicable to critical memory?**
> This section provides specific standards for the contents and maintenance of critical memory, which stores data essential for the play of Class II games
> . . . .
>
> (b) *Maintenance*
> . . . .
>
> (2) In the event of a disruption during updates, there shall be a means of defining which of the multiple available copies of data in critical memory is correct.
> (3) Software shall ensure that updates to meters in critical memory are successful and that any error(s) in one logical copy of the meters is not propagated through to other copies.
> . . . .
>
> (d) *Recoverable critical memory failures.*
> (1) If upon any validity check failure at least one logical copy of critical memory is good, the software may recover critical memory data and continue game play provided:
> (i) All logical copies of critical memory are recreated using the good logical copy as a source; and
> (ii) The Electronic Player Station software verifies that the recreation of critical memory was successful.

This language creates guidelines on how the games should handle data errors; establishing guidelines for securing critical data and handling data correction in the event of a failure. This is obviously a critical requirement of a gaming system, and one for which standards obviously need to be created. Unfortunately, as these proposed standards are worded, they do more than simply require that the data be stored in a safe format and that a system exist to correct errors in the critical game data. With language that requires multiple copies of data in critical memory, it identifies a particular method of securing data and handling the issue of error correction; an approach commonly referred to as "repetition" or "duplication."

There is no question that duplication is one technique to handle the Commission's goal of securing critical data. But it is only one of several industry-accepted techniques of achieving this goal. Other generally accepted techniques include parity schemes and cyclic redundancy checks, which are used in other industries to both detect errors in code and to serve as the framework for error correction. Technology such as "Hamming," a type of parity scheme, is used in mission critical applications by NASA to identify and correct errors with satellite data transmissions; and cyclic redundancy is similarly used in a number of industries to handle their critical data needs.

Unfortunately, implementing the proposed standards as worded will deny Class II game developers from using either of these effective techniques for error handling, or any new technologies that may be developed in the future to handle error identification and correction. Put into layman's terms, it is the equivalent of creating a regulation that requires the use of a 1982 Ford Escort to travel from Philadelphia to Pittsburgh. Such a

regulation would achieve the goal of getting a person from one location to the other. However, the regulation would deny the use of different models of car, or alternative travel techniques like traveling by plane or by train. As the Commission would never accept such a limitation on an activity such as travel; and VGT believes that it should similarly not accept such a limitation on error correction.

VGT believes the language should clearly state the Commission's requirement, to create an effective method for detecting errors in critical data and a means of correcting them; and allow the test labs to determine whether a particular technology achieves the Commission's goal.

## 4. CERTAIN STANDARDS CREATE REQUIREMENTS THAT ARE FORWARD LOOKING AND GO BEYOND WHAT IS REQUIRED TO SECURE A CLASS II GAMING NETWORK.

Even a cursory reading of the proposed standards makes clear the Commission's desire to ensure the integrity of Class II game networks. It is an appropriate goal for the Commission to achieve, and one that VGT wholeheartedly supports. There are, however, several instances where the Commission's proposed standards create requirements that are applicable only in particular instances, and that may or may not be necessary depending on how a particular gaming system is implemented.

These standards fall into a class that can best be thought of as "parachute rules." Think of a travel standard that required every traveler to carry a parachute. Such a rule could dramatically improve the safety of a person flying on an airplane – but it does little to help a person traveling by car. If universally applied to all travelers, the parachute rule is certainly overkill for those using automobiles.

In reviewing the proposed standards, there seem to be certain instances where the Commission's proposed language establishes requirements similar to the parachute rule – creating a universal standard that should apply only to certain technology, rather than be universally adopted by all Class II manufacturers. VGT would argue that, rather than requiring all systems to adopt standards that may be overkill for their particular technology, a more flexible framework should be adopted that simply states the Commission's goals and that allows the testing labs the ability to apply the appropriate requirements needed to meet the Commission's objectives.

The following regulations fall into the category of regulations that are forward looking and/or go beyond what is required to secure a Class II gaming network:

> **§ 547.6 What are the minimum technical standards applicable to servers?**
> This section provides standards applicable to all servers used with play of Class II games.
>
> . . . .
>
> (c) *Logical/Software security.*

Nothing in this section shall be construed to alter, repeal or limit the applicability of § 542.16(a) of this chapter. Servers used in the play of Class II games shall also meet the following requirements:

. . . .

(6) Account passwords shall only be transmitted in encrypted or hashed form meeting the requirements of § 547.23(b) through (c).
(7) Application passwords shall be stored in an encrypted or hashed form meeting the requirements of § 547.23(b) through (c).

**§ 547.23 What are the minimum technical standards for encryption?**
This section provides minimum standards for encryption and hashing in client-server implementations used with the play of Class II games.

. . . .

(5) Notwithstanding paragraphs (a)(1) through (3) of this section, communications containing any of the following shall be protected from eavesdropping *i.e.* encrypted, and from illicit alteration unless the communication is contained within a single logic area:

. . . .

(b) *Encryption algorithm.* Any encryption required by this part shall use an algorithm that meets the following requirements:
(1) Encryption algorithms are to be demonstrably secure against cryptanalytic attacks. Encryption algorithms that media reports have demonstrated to be broken are not demonstrably secure. The following algorithms are demonstrably secure:
(i) SSL/TLS (Using a Public Key algorithm);
(ii) IPSec—(Potentially a "Hardware" solution);
(iii) Triple DES (Symmetric algorithm using a 112 bit key);
(iv) IDEA (Symmetric algorithm using a 128 bit key);
(v) Blowfish (Symmetric algorithm using a 448 bit key);
(vi) Twofish (Symmetric algorithm using a 128-bit, 192-bit or 256-bit key); and
(vii) AES (Symmetric algorithm using a 128-bit, 192-bit or 256-bit key).
(2) The minimum width (size) for encryption keys is 112 bits for symmetric algorithms and 1024 bits for public key algorithms.
(3) If a symmetric algorithm is chosen, a key rotation methodology ensuring encryption keys are changed no less than every 30 days shall be adopted. The key rotation process shall be automated.
(4) There shall be a secure method implemented for changing the current encryption key set. An example of an acceptable method of exchanging keys is the use of public key encryption techniques to transfer new key sets.
(5) Other proprietary encryption and authentication methods, including the use of a Virtual Private Network (VPN), are permissible provided they provide protection against eavesdropping and illicit modification equivalent to the methods described paragraphs (a) and (b) of this section.

These regulations establish security protocols that are entirely necessary to protect open networks, like those used for wide area progressives and wide area networks. There are, however, a number of applications where Class II game manufacturers and operators may choose to use a closed, local area network. In those instances, the password requirements are not needed to secure the network. Rather, it can be secured through access controls and other less burdensome means. Requiring all versions of Class II games to meet these standards, regardless as to whether their network is open or closed, creates a significant software development burden on the closed network system, and one that creates little additional security for the operator of the closed network system. VGT feels that the

standards should simply require a secure network, and that the testing labs should have the flexibility to determine what steps are required to meet the objective.

Another issue with similar implications relates to the standards covering critical memory.

> **§ 547.11 What are the technical standards applicable to critical memory?**
> This section provides specific standards for the contents and maintenance of critical memory, which stores data essential for the play of Class II games. . . .
> (c) *Validity checks, detection of corrupt memory.*
> (1) The validity of critical memory in an Electronic Player Station shall be checked after:
> (ii) Each of the following transactions:
> (A) Bill input;
> . . . .
>
> (iii) Every cashless transfer;
> (iv) Every voucher print/redeem; . . . .

These requirements require a number of critical memory checks that go above and beyond what is required in most jurisdictions. All of the transactions described are tied to game play, and the general approach of most jurisdictions (and of these rules themselves at §547.11(c)1(v)) is to require the validity check before and after each game play. Because the validity check that occurs before and after each game play will also check the status of these other transactions, requiring separate validity checks for every bill input, cashless transfer and voucher print/redeem simply adds additional tests to the system that serve little additional benefit. VGT feels that the requirements should be removed.

A similar issue arises with the standards requiring critical memory failures in the event of a processor replacement.

> **§ 547.11 What are the technical standards applicable to critical memory?**
> This section provides specific standards for the contents and maintenance of critical memory, which stores data essential for the play of Class II games.
> . . . .
>
> (e) *Unrecoverable critical memory failures.*
> . . . .
>
> (4) A processor installed from another Electronic Player Station, or a processor that has never been used, shall be considered an unrecoverable critical memory failure.

For most systems, the replacement of a processor will be the result of a system failure, and will also create a critical memory failure. The proposed language has not been seen in any other known jurisdiction, and seems to state something that is, essentially, self-evident. That said, in most instances the processor does little to affect the outcome of the game. It drives the software, but it is simply a platform upon which the game is based. The game itself is in the software and critical memory. Should it become possible in the future to replace the processor without affecting the memory, there is no real need for such a requirement. Because this is not an issue, many vendors do not actively track this

occurrence (of changing the processor) as a unique critical memory failure. Adding a requirement to do so will require the creation of new software code, and will add both cost and time to the rollout of compliant systems. VGT feels that the language should be removed.

VGT also feels that the requirements to track "games lost" also go beyond what is commonly accepted and would dramatically add to the cost and time required to meet these new standards.

> **§ 547.12 What are the minimum technical standards for meters?**
> This section provides standards for meters on Electronic Player Stations used in the play of Class II games. Nothing in this section requires the use of electromechanical meters. Nothing prohibits the use of electromechanical meters, provided that they meet the requirements of this section.
> . . . .
>
> (e) *Required meters.*
> (1) The following meters shall be implemented in Electronic Player Stations, as applicable:
> . . . .
>
> (xxi) Games Lost - The cumulative number of all games lost - Count.
> . . . .
>
> (2) When an Electronic Player Station offers multiple paytables for play, the following meters shall be implemented, for each paytable, and the meter information shall be available both at the Electronic Player Station and the server:
> . . . .
>
> (vii) Games Lost - The cumulative number of games lost for this paytable - Count.

Currently, there is no known requirement in other technical standards for this sort of meter; nor is there a protocol in the newest communications standards[5] to track games lost as a unique meter. The games lost total can easily be calculated from the existing meters, by subtracting games won from games played, and there is little need for this information on the player station to resolve customer disputes, etc. Requiring the addition of this information on the game terminal will require significant additional code to be written, for little benefit. Further, implementing this requirement in the absence of an established communications protocol in the newest communications standards will likely result in little commonality between the different Class II game systems (which primarily rely on the proposed Gaming Standards Association protocols), and create a situation similar to what existed in the recent past, when Class II game systems could not easily talk to one another. VGT would recommend that the requirement to track games lost at the player station be removed.

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[5] While SAS has the ability to report Games Lost, the Gaming Standards Association's proposed S2S and G2S standards no longer provide for Games Lost reporting.

A similar burden is established in the game history requirements, which require the last game recall information to provide the value of all accounting meters at the end of the last play.

> **§ 547.14 What are the minimum technical standards for last game recall?**
> This section provides standards for last game recall information on Electronic Player Stations used in the play of Class II games.
> . . . .
> (b) *Game recall information.*
> . . . .
> (8) The value of all accounting meters as at the end of the last play;

The game history screen is most used for resolving customer disputes and handling situations like the loss of power, hardware failure, etc. There is little use for the display of the value of all accounting meters at the end of the last play when handling these sorts of issues. When needed, the information is readily available from other screens or on the central game servers of the various Class II game manufacturers; so it is not a situation where the information cannot be obtained. It is simply a question of whether it should be available on the game recall screen. Addition of this information will likely require significant software coding, again for little added benefit. VGT would request that this requirement be removed.

Finally, VGT is concerned about the requirement that both the game terminal and server software automatically restart in the event of a computer failure.

> **§ 547.16 What are the minimum technical standards applicable both to clients and servers or to client-server implementations generally?**
> This section provides minimum software standards common both to servers and clients, wherever located, and used in the play of Class II games. It also provides minimum standards for client-server implementations used in the play of Class II games.
> . . . .
> (b) *Automatic operation of programs.*
> Software used with play of Class II games shall automatically restart, without the need for operator intervention, when the computer on which they operate starts or restarts.

There are some instances where a restart of the software may be desirable, and it is a feature VGT offers on its current player stations. There are instances, however, where such an approach can work to the detriment of the gaming operator. If there is a more significant problem, beyond a simple power failure, an automatic restart on the central game server or servers can deny a valuable troubleshooting opportunity to resolve system problems and get the games up and running as soon as possible. Under VGT's current practices, the restart of a server is not automatic, but done under supervised conditions; with VGT personnel either assisting facility employees or actually performing the restart under casino supervision. This allows VGT to ensure that everything is functioning properly, and it has been VGT's experience that the approach is most effective in ensuring that the Class II gaming system is brought on line quickly and in a fully

functioning condition. The requirement that the server automatically restart would deny VGT what we view as a useful tool in ensuring the integrity of VGT's Class II games. Thus, VGT would ask that this requirement be removed, so vendors may have the option to follow the procedures VGT currently uses.

**CONCLUSIONS**

VGT is pleased that the Commission has undertaken this task to provide clarity with regard to Class II technical standards. It is a daunting task, and one where the Commission has made significant headway. There are several issues, however, that we hope the Commission will consider prior to implementing the final standards.

VGT would ask that the Commission realize both the financial and technical impact of the proposed standards on Native American tribes and Class II gaming manufacturers, and provide reasonable period of 18-24 months for the changes to be made prior to the standard's implementation.

VGT would ask that the Commission make changes to certain standards to better reflect how Class II bingo is played, and to ensure that the technical standards are consistent with the Commission's guidance on the Class II game classification standards.

VGT would ask that the Commission make changes to ensure that certain standards do not stifle innovation, and that they allow alternative techniques can be used to meet the goals of system security and integrity.

And VGT would ask that the Commission make changes to ensure the rules do not create overly burdensome requirements on gaming systems; allowing operators the flexibility to choose systems that best meet their needs without adding software costs and requirements that are not necessary to meet the Commission's goal of ensuring Class II gaming system integrity and security.

VGT appreciates this opportunity to participate in the Class II Technical Standards comment process, and we stand ready to provide additional information and assistance. Should you have any questions, or need any further information, please feel free to contact me at (615) 220-9312.

Sincerely,

Jay Sevigny
Chief Operating Officer